

DEPARTMENT OF INSURANCE

ADMINISTRATION & LICENSING SERVICES BUREAU
300 CAPITOL MALL, SUITE 1400
SACRAMENTO, CA 95814
(916) 492-3412
(916) 322-1941 (FAX)
www.insurance.ca.gov

**Book Entry Security Deposit**

Effective January 1, 1996 California Insurance Code Section 942 authorizes the State Treasurer's Office to accept book entry transactions for security deposit on behalf of the California Department of Insurance. The State Treasurer's Office has contracted with Citibank, New York, to maintain book entry securities in a State of California account.

The cost of establishing an account with the State Treasurer's Office will be \$145 per year, payable in advance. The fee will be on a calendar year basis which is due and payable each January 1st. Please make your check payable to the State Treasurer and forward to the California Department of Insurance. The fee will not be prorated for a partial year. Book entry transactions will not be accepted by the Department of Insurance until the \$145 fee is paid. The information needed to establish an account can be submitted utilizing the A-174 Security Transaction form. The State Treasurer's Office will establish the book entry account with Citibank.

A company requesting to transact securities in book entry format will do so by submitting a completed A-174 form and the required \$52 transaction fee to the Department of Insurance. The A-174 will be reviewed by the Department of Insurance and forwarded to the State Treasurer's Office for processing.

Citibank will be responsible for forwarding all principal and interest payment to each insurance company. Please provide accurate instructions such as the insurance company name, financial institution, American Banking Association (ABA) number and insurance company account number to the Department of Insurance and State Treasurer's Office to ensure timely payment of principal and interest. In addition, Citibank will provide monthly statements to each insurance company detailing securities in their account as well as monthly activity.

Enclosed is a copy of the Department of Insurance's A-174 Transaction Request form and instructions on how to complete the form.

If you have any questions regarding book entry, please call the Securities Deposit Unit of the California Department of Insurance at (916) 492-3412 or e-mail at securities@insurance.ca.gov.